heavy economic burden on the already overloaded debtor who gets no effective relief in return since his property may be seized and his salary attached anyhow.

Even the best intentioned and most extensively regulated prorater, it was found, can't render effective relief without the consent of the creditors. Since The Star found that most creditors here don't consent and the proraters are free to operate any way they want here, labor's warning is particularly meaningful in the Washington area.

A formal statement from the AFL-CIO executive council concluded: "The AFL-CIO, therefore, is of the view that the debt adjustment business, regulated or unregulated, is not economically or socially desirable as a commercial activity and should be eliminated."

The statement came out in 1961 and Leo Perlis, national director of the AFL-CIO Department of Community Services, said that's still the official position.

"We're against debt consolidators," he explained, "because they add another debt on top of all the others. They don't solve the problem."

Story of One Brochure

The largest of the debt adjusting chains tries to give the impression that the Labor Department takes a different view. The Barden Investment Management Corp., which is under the same ownership as Credit Advisors, Inc., issued a brochure which played up this quotation from the Labor Department's Bureau of Labor Standards:

"If honestly operated, these agencies can perform a real service for persons deeply enmeshed in debt."

The quotation, it developed, was only a fragment of the whole message, like the one favorable line in a column-long unfavorable movie review.

The "if honestly operated" sentence was followed immediately by this: "Unfortunately, this has not always been the case. Sometimes the money has not been paid to the creditors at all, or only part of it paid. Frequently, creditors refuse to participate in the debt pooler's plan but the agency does not so notify the debtor.

"On many occasions the debt poolers have paid themselves their entire fee first, and it has been some time before money was available to pay the creditors.

"Accepting the services of a debt pooler has not always prevented garnishment proceedings. Frequently the debtor finds that instead of getting out of debt, he simply has another creditor—the debt pooler.

"Because of the distress caused by unethical debt poolers, many states have found it necessary to take legislative action."

The debt consolidator's brochure which neglected to include this part of the Labor Department's statement waxed enthusiastic about the debt management company's contribution to the debtor's welfare.

"Perhaps the agencies (sic) most important function," the Barden brochure stated, "is providing the debtor with a learning experience. With help, the debtor learns by the judicious handling of his monies to unentangle himself from the nightmare of oppressive debts. He finds himself no longer a victim of a too easy credit system; but, instead, master of his own financial ship."

Maybe, but The Star found a number of debtors whose "learning experience" consisted of plunging deeper into debt by dealing with a paid debt adjuster.